



# Senate

General Assembly

**File No. 53**

January Session, 2003

Senate Bill No. 333

*Senate, March 25, 2003*

The Committee on General Law reported through SEN. COLAPIETRO of the 31st Dist., Chairperson of the Committee on the part of the Senate, that the bill ought to pass.

## **AN ACT REQUIRING NOTICE OF AUTOMATIC RENEWAL OF CONSUMER CONTRACTS.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 42-157 of the general statutes is repealed and the  
2 following is substituted in lieu thereof (*Effective October 1, 2003*):

3 (a) A consumer contract shall remain enforceable, even though it  
4 violates this chapter.

5 (b) Nothing in this chapter shall preclude a consumer from making  
6 any claim or raising any defense which would have been available to  
7 the consumer if this chapter were not in effect.

8 (c) A consumer may not waive the rights provided by this chapter,  
9 and any such waiver shall be void.

10 (d) A person in possession of and entitled to receive payment  
11 pursuant to a consumer contract containing an automatic renewal

12 provision shall provide written notice to the consumer at least ninety  
13 days prior to the automatic renewal date. Such written notice shall  
14 specify the date upon and terms which the consumer contract will be  
15 automatically renewed.

This act shall take effect as follows:	
Section 1	<i>October 1, 2003</i>

**GL**      *Joint Favorable*

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

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### ***OFA Fiscal Note***

#### ***State Impact:***

Agency Affected	Fund-Type	FY 04 \$	FY 05 \$
Consumer Protection, Dept.	GF - None	None	None

Note: GF=General Fund

***Municipal Impact:*** None

#### ***Explanation***

This bill requires a 90-day written notice involving automatic renewal terms of consumer contracts.

Last year the Department of Consumer Protection (DCP) had 278 complaints alleging consumer contract violations. Since the department already receives complaints of this nature, no additional resources will be required.

**OLR Bill Analysis**

SB 333

***AN ACT REQUIRING NOTICE OF AUTOMATIC RENEWAL OF CONSUMER CONTRACTS*****SUMMARY:**

This bill requires any person in possession of and entitled to receive payments under a consumer contract with an automatic renewal provision to give the consumer advance written notice about the terms under which the contract is automatically renewed. The notice must be given at least 90 days before the contract's renewal date.

EFFECTIVE DATE: October 1, 2003

**BACKGROUND*****Related Bill***

Senate Bill 581 (File 8) requires consumer contracts to provide (1) a clear and conspicuous disclosure of introductory trial offers, (2) a method of canceling goods and services once the introductory rate period ends (3) notice about the contract's expiration date, and (4) the method of canceling automatic renewals.

**COMMITTEE ACTION**

General Law Committee

Joint Favorable Report

Yea 17      Nay 0